GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7260
ANSWERED ON:13.05.2005
FAKE INSURANCE BUSINESS
Agarwal Shri Dhirendra;Mahato Shri Sunil Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the fake insurance business being run in various parts of the country;

(b) if so, whether Development Officers, agents and offices of Life Insurance Business through a sinister alliance among them resulting in losses to the L.I.C;

(c) whether Central Bureau of Investigation has been asked to conduct an enquiry into this matter;

(d) the concrete steps taken by the Government to made the functioning of L.I.C. simple and effective all over the country; and

(e) the success achieved by the Government as a result of the steps taken ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMAN1CKAM):

(a) Life Insurance Corporation of India (LIC) has informed that they have not come across any fake insurance so for.

(b) Does not arise.

(c) No, Sir.

(d) The steps taken by LIC for improvement of their efficiency include upgradation of Information Technology System to facilitate payment of premium, providing information on the status of policies, payment of survival benefit under Money-Back policies`wtthout calling for advance receipts etc.

(e) With the upgradation of Technology there has been substantial reduction in time taken for settlement of claims. For example, 95.49% of maturity claims were paid on or before due date and 91.68% of (non-early) death claims were settled within 20 days from the date of intimation.